





UNITED STATES DEPARTMENT OF COMMERCE
Chief Information Officer

Washington, D.C. 20230

AUG 29 2005

MEMORANDUM FOR: Chief Information Officers
Bureau Procurement Officials

FROM: Thomas N. Pyke Jr. 
Chief Information Officer

Michael S. Sade 
Director for Acquisition Management and
Financial Assistance and Procurement Executive

SUBJECT: Earned Value Requirements in IT Development Contracts

The Department places a high priority on the successful management of its major information technology investments. We now require project managers of major IT development investments to report cost and schedule performance using earned value management techniques. As we have gained experience with earned value management reporting, we realize more fully that proper visibility of a contractor's cost and schedule performance begins with the acquisition planning function. The incorporation of earned value reporting requirements into our major IT development contracts should reduce the amount of later effort required of our project managers for the development and reporting of earned value. Inclusion of such a provision is required by OMB.

Effective immediately, all Department of Commerce contracts for major IT development investments must include a requirement directing the contractor to utilize program management methods and earned value reporting that meet the best business practice guidelines provided in the Electronic Industries Alliance standard, "ANSI/EIA-748, Earned Value Management Systems." The requirement must also require that subcontractors comply as well.

The ANSI/EIA-748, Earned Value Management Systems standard is available from Global Engineering Documents and may be purchased either online at <http://global.ihs.com/> or by phone at 1-800-854-7179.

Direct questions regarding this requirement to Jerry Harper, jharper@doc.gov or 202-482-0222, or Nancy Barrere at nbarrere@doc.gov or 202-482-5519.